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| Agenda Item | 7 |
| Report No | CP/19/23 |

The Highland Council

Committee: Communities and Place

Date: 31 August 2023

Report Title: Capital Monitoring – Quarter 4 2022/23 and Quarter 1 2023/24

Report By: Executive Chief Officer Communities and Place

1. Purpose/Executive Summary

- 1.1 This report provides Members with the final Capital budget outturn position for the Communities and Place Service for 22/23, and the 23/24 outturn forecast as at the end of Quarter 1.
- 1.2 In 22/23, net spend on capital projects was £10.554m against a budget of £15.814m. The forecasted outturn for 23/24 is a net expenditure of £10.256m against a budget of £11.970m.
- 1.3 There are a range of capital projects being taken forward by the Service in respect of Waste Management; Bereavement Services; Community Spaces; Vehicles & Plant and Public Conveniences. The remainder of this report discusses the projects overall supported by information in the Appendices.

2. Recommendations

- 2.1 Members are asked to:
 - i. **Note** the capital outturn position for the Communities and Place Service for 22/23
 - ii. **Consider** the forecasted capital outturn for the Communities and Place Service for 23/24 as at Quarter 1
 - iii. **Note** the current forecast for the major project for the Communities and Place Service for 23/24

3. Implications

- 3.1 **Resource** - Resource implications are discussed in the report. There are ongoing issues with inflation and supply issues that continue to put pressure on individual projects, or ongoing programmes of work. This is being regularly monitored and adjustments made where appropriate.

- 3.2 **Legal** - The contents of this report supports the requirement of Sections 6 and 7 of the CIPFA Financial Management Code- 'Monitoring financial performance' and 'External financial reporting'.
- 3.3 **Community (Equality, Poverty, Rural and Island)** – there are no specific implications arising from this report.
- 3.4 **Climate Change / Carbon Clever** – the replacement of Fleet including large good vehicles will help to reduce carbon emissions as will the ongoing review of waste management and recycling rates.
- 3.5 **Risk** - Risk implications to the capital budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees and The Highland Council.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – there are no specific implications arising from this report.
- 3.7 **Gaelic** – there are no specific implications arising from this report.
- 4. 22/23 Capital Programme outturn**
- 4.1 **Appendix 1** provides, per project, budget, actual expenditure, actual income and the resulting net position at year end for 22/23.
- 4.2 Against a budget of £15.814m total expenditure was £10.554m with net expenditure of £9.632m. The principal reasons for this slippage are attributable to Fleet, the Waste project at Fort William transfer station that is not required to be delivered until 2024 and burial ground extensions that are not to complete until into 2024 / 2025.
- 4.3 As previously reported, delivery timelines are challenging especially in relation to Fleet. In particular the supply of Heavy Goods Vehicles is suffering from the delays caused by the Covid Pandemic coupled with a global disruption to the semiconductor industry at the time. Additionally, we are experiencing delays in build including with the chassis and body suppliers resulting in delays to order fulfilment with delivery of up to 18 months for the largest vehicles although there is a growing confidence that such timelines are improving (reducing) to nearer 12 months.
- 4.4 A Project Board is overseeing the various projects in Bereavement Services and discussions with respective Ward Members including provision of progress updates to at Ward Business Meetings / Area Committees will continue to take place until project completion. Officers are progressing the various projects through site identification, investigation and purchase, and design, planning and delivery of the new burial ground. There is also a separate item to today's agenda that discusses enhancing burial grounds capacity.
- 5. 23/24 Capital budget – forecast outturn as at Quarter 1**
- 5.1 The capital programme budget for 23/24 is £11.970m. Further detail is reported at **Appendix 2** including a forecasted spend of £13.824m and net expenditure of £10.256m. The main reasons for the underspend are attributable to the Waste project at Fort William transfer station that is not required to be delivered until 24/25, the full order fulfilment pertaining to the Shredders to support the overall waste management

process of bulky waste items and burial grounds extensions that are not to complete until into 2024 / 2025.

- 5.2 The Seater and Granish landfill sites require areas to be sealed (capped) from the environment as they are utilised and filled. Preparatory works by the Infrastructure, Environment and Economy Team are now being undertaken to commence the next stage of capping at both sites in a manner that meets, increasingly stringent, environmental statutory requirements to deliver the Landfill Restoration Programme.
- 5.3 In relation to Fleet, significant commitments have already been made of £3.24m. The estimated delivery of these winter and waste vehicles is later this financial year. We are continually working with suppliers and where possible we aim to accelerate progress to minimise the risk of having aged vehicles in the fleet. For example, picking up on another organisations cancelled order, where this is appropriate for our needs.
- 5.4 Within Public Conveniences, a number of projects to enhance the existing public toilets through a series of upgrades, installation of low energy equipment, refurbishments, installing CCTV, and making the service more sustainable through the provision of installing charging systems continues. There are some cost pressures pertaining to ground works, and related-fees.
- 5.5 As Members will be aware, the overall governance for the Play Parks capital budget is delivered by Area Committees. The Playpark Officer supports the engagement and evaluation of plans and ensure they involve children and young people. Officers continue to work with members to prioritise how the area funding is spent. Members are also reminded that there are some procurement-related challenges in respect of availability and delivery of play equipment. This is reflected in that £0.150m has already been committed with further £0.350m in the pipeline for example as part of the ongoing between Officers and local Members.
- 5.6 Significant procurement work is being undertaken to provide our frontline Amenities staff, with improved equipment of £0.500m. Staff have contributed to the procurement specifications. The equipment will include high-lift bagging mowers, banks/*robo* mowers for embankments where accessibility is challenging, hand-held kit such as battery operated trimmers, blowers and hedge cutters, and woodchippers which would enable on-site chipping of cut hedges / shrubs. This investment will not only help staff undertake their work, it will support their welfare by, for example, reducing hand and arm vibrations from the battery-operated equipment and with less emissions.

6. 23/24 Capital budget – major projects to 2036/37

- 6.1 Appendix 3 provides details for the “major projects” which are those over £5m and will be updated as part of the ongoing review of the Council’s Capital Programme into future years.
- 6.2 As reported to this Committee in May 2023, an application was successfully submitted to Zero Waste Scotland for £6.5m of capital funding towards a range of related works for waste management service collection changes across Highland. Current estimates for costs, timing (performance against delivery timelines) and scope (the project’s aims and objectives) are on track (green). More detailed updates are provided in a separate item to today’s agenda.

Designation: Executive Chief Officer Communities and Place

Date: 7 August 2023

Authors: Executive Chief Officer, Communities and Place and
Finance Business Partner (Capital)

Background Papers: None

MONITORING OF CAPITAL EXPENDITURE - TO 31ST MARCH 2023

SERVICE: COMMUNITIES & PLACE

| Project Description | BUDGET | ACTUALS | | | VARIANCE | | |
|--|---|---------------------------------|----------------------------|--------------------------------------|--|--|---------------------------------------|
| | 2022/23 Budget (incl. carry forward from prior year) £000 | 2022/23 Actual Expenditure £000 | 2022/23 Actual Income £000 | 2022/23 Actual Net Year to Date £000 | 2022/23 Variance Outturn v Budget £000 | 2022/23 Acceleration / (Slippage) £000 | 2022/23 Overspend / (Underspend) £000 |
| | | | | | | | |
| WASTE MANAGEMENT | | | | | | | |
| Landfill Restorations | | | | | | | |
| Landfill Restoration Programme | 72 | 287 | 0 | 287 | 215 | 215 | 0 |
| Waste Management Strategy | | | | | | | |
| Green Energy Hub (Earmarked Fund) | 0 | 81 | (81) | 0 | 0 | 0 | 0 |
| Residual Waste Management Facility - Longman | 5,430 | 6,397 | 0 | 6,397 | 967 | 967 | 0 |
| Plant, Infrastructure & Banks (includes Granish & FW WTS) | 2,092 | 324 | 0 | 324 | (1,768) | (1,768) | 0 |
| Household Waste Recycling Centre office/welfare facilities | 20 | 24 | 0 | 24 | 4 | 4 | 0 |
| Household Wheeled Bin Replacements - Green Bins | 30 | 0 | 0 | 0 | (30) | (30) | 0 |
| Skye Portree WTS access road improvement | 50 | 44 | 0 | 44 | (6) | (6) | 0 |
| Mechanical Street Sweepers | 147 | 0 | 0 | 0 | (147) | (147) | 0 |
| BEREAVEMENT SERVICES | | | | | | | |
| Burials and Cremations | | | | | | | |
| Burial Ground Portree | 504 | 21 | 0 | 21 | (483) | (483) | 0 |
| Burial Ground Kilmorack | 150 | 0 | 0 | 0 | (150) | (150) | 0 |
| Burial Ground Chapelhill | (9) | 10 | 0 | 10 | 19 | 19 | 0 |
| Burial Ground Glen Nevis | 523 | 7 | 0 | 7 | (516) | (516) | 0 |
| Burial Ground Dores | 304 | 1 | 0 | 1 | (303) | (303) | 0 |
| Burial Ground Canisbay | 0 | 5 | 0 | 5 | 5 | 5 | 0 |
| Burial Ground Kilvean | 48 | 221 | 0 | 221 | 173 | 173 | 0 |
| Burial Ground Alness | 480 | 11 | 0 | 11 | (469) | (469) | 0 |
| Burial Ground Dornoch | 326 | 110 | 0 | 110 | (216) | (216) | 0 |
| Burial Ground Daviot | (82) | 0 | (82) | (82) | 0 | 0 | 0 |
| Burial Ground Kiltarlity | (2) | 6 | 0 | 6 | 8 | 8 | 0 |
| Burial Ground Tomnacross | 0 | 1 | 0 | 1 | 1 | 1 | 0 |
| Burial Ground Lochcarron | 0 | 8 | 0 | 8 | 8 | 8 | 0 |
| Burial Ground Broadford Strath | 0 | 9 | 0 | 9 | 9 | 9 | 0 |
| Burial Ground Dunvegan | 0 | 5 | 0 | 5 | 5 | 5 | 0 |
| Burial Ground Kishorn | 0 | 3 | 0 | 3 | 3 | 3 | 0 |
| Burial Ground Morefield Ullapool | 0 | 17 | 0 | 17 | 17 | 17 | 0 |
| Burial Grounds Ext General | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Crematorium Works | 20 | 59 | 0 | 59 | 39 | 39 | 0 |
| War Memorials | 21 | 5 | 0 | 5 | (16) | (16) | 0 |
| COMMUNITY SPACES | | | | | | | |
| Play Areas | 477 | 515 | (448) | 67 | (410) | (410) | 0 |
| Nairn Beach Access Platform | 0 | 46 | (46) | 0 | 0 | 0 | 0 |
| VEHICLES & PLANT | | | | | | | |
| Vehicle & Plant Purchases | 4,883 | 2,206 | (207) | 1,999 | (2,884) | (2,884) | 0 |
| PUBLIC CONVENIENCES | | | | | | | |
| Glenmore PC | (3) | 36 | (39) | (3) | 0 | 0 | 0 |
| Glencoe PC Improvements | 0 | 8 | (8) | 0 | 0 | 0 | 0 |
| Visitor Management Upgrades - Public Convenience | 333 | 36 | (11) | 25 | (308) | (308) | 0 |
| Wick PC Refurbishment | 0 | 51 | 0 | 51 | 51 | 51 | 0 |
| OVERALL TOTAL | 15,814 | 10,554 | (922) | 9,632 | (6,182) | (6,182) | 0 |

MONITORING OF CAPITAL EXPENDITURE - TO 30TH JUNE 2023 (Q1 2023/24)

SERVICE: COMMUNITIES & PLACE

| Project Description | BUDGET | ACTUALS | | | FORECASTS | | | VARIANCE | | | COMMENTS |
|---|------------------------|----------------------------|-----------------------|---------------------------------|------------------------------|-------------------------|--------------------------|--|-----------------------------------|----------------------------------|--|
| | 2023/24 Capital Budget | 2023/24 Actual Expenditure | 2023/24 Actual Income | 2023/24 Actual Net Year to Date | 2023/24 Forecast Expenditure | 2023/24 Forecast Income | 2023/24 Forecast Outturn | 2023/24 Variance Forecast Outturn v Budget | 2023/24 Acceleration / (Slippage) | 2023/24 Overspend / (Underspend) | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| WASTE MANAGEMENT | | | | | | | | | | | |
| Landfill Restorations | | | | | | | | | | | |
| Landfill Restoration Programme | 825 | 6 | 0 | 6 | 895 | 0 | 895 | 70 | 70 | 0 | |
| Long Term Waste Strategy | | | | | | | | | | | |
| Green Energy Hub (Earmarked Fund) | 0 | 38 | 0 | 38 | 418 | (418) | 0 | 0 | 0 | 0 | Funded by drawdown from earmarked balances. |
| Waste Transfer Stations | | | | | | | | | | | |
| Longman Waste Transfer Station | 226 | 16 | 0 | 16 | 241 | 0 | 241 | 15 | 15 | 0 | Additional spend to improve operational efficiency, practice and compliance with site licensing. |
| Fort William Waste Transfer Station | 1,825 | 0 | 0 | 0 | 1,290 | 0 | 1,290 | (535) | (535) | 0 | Underspend to carry forward to 24/25. |
| Aviemore Granish Waste Transfer Station | 30 | 0 | 0 | 0 | 0 | 0 | 0 | (30) | (30) | 0 | Retention payment made and no further spend expected. |
| Portree Waste Transfer Station Access Road | 0 | 4 | 0 | 4 | 4 | 0 | 4 | 4 | 4 | 0 | No further spend expected in 23/24. |
| Infrastructure & Banks | | | | | | | | | | | |
| Household Wheeled Bin Replacements - Green Bins | 15 | 0 | 0 | 0 | 15 | 0 | 15 | 0 | 0 | 0 | |
| Household Waste Recycling Centre Facilities | 20 | 0 | 0 | 0 | 20 | 0 | 20 | 0 | 0 | 0 | |
| Plant, Infrastructure & Banks | 90 | 8 | 0 | 8 | 90 | 0 | 90 | 0 | 0 | 0 | |
| Recycling Improvement Fund | | | | | | | | | | | |
| RIF Capital Projects | 0 | 0 | 0 | 0 | 1,520 | (1,520) | 0 | 0 | 0 | 0 | |
| BEREAVEMENT SERVICES | | | | | | | | | | | |
| Burials and Cremations | | | | | | | | | | | |
| Burial Ground Portree | 525 | 8 | 0 | 8 | 150 | 0 | 150 | (375) | (375) | 0 | Site planning progressing |
| Burial Ground Kilmorack | 30 | 0 | 0 | 0 | 0 | 0 | 0 | (30) | (30) | 0 | |
| Burial Ground Glen Nevis | 250 | 0 | 0 | 0 | 150 | 0 | 150 | (100) | (100) | 0 | Site identification ongoing |
| Burial Ground Dores | 50 | 0 | 0 | 0 | 50 | 0 | 50 | 0 | 0 | 0 | |
| Burial Ground Alness | 250 | 1 | 0 | 1 | 200 | 0 | 200 | (50) | (50) | 0 | Site acquisition progressing |
| Burial Ground Dornoch | 176 | 120 | 0 | 120 | 120 | 0 | 120 | (56) | (56) | 0 | Site works completed |
| Burial Ground Canisbay | 230 | 1 | 0 | 1 | 150 | 0 | 150 | (80) | (80) | 0 | |
| Burial Ground Chapelhill | 75 | 35 | 0 | 35 | 45 | 0 | 45 | (30) | (30) | 0 | Landscaping ongoing |
| Burial Ground Tomnacross | 30 | 0 | 0 | 0 | 0 | 0 | 0 | (30) | (30) | 0 | |
| Burial Ground Broadford Strath | 110 | 0 | 0 | 0 | 55 | 0 | 55 | (55) | (55) | 0 | Site acquisition progressing |
| Burial Ground Dunvegan | 280 | 2 | 0 | 2 | 150 | 0 | 150 | (130) | (130) | 0 | |
| Burial Ground Mount Vernon Thurso | 50 | 0 | 0 | 0 | 50 | 0 | 50 | 0 | 0 | 0 | Site identification ongoing |
| Burial Ground Reay | 50 | 0 | 0 | 0 | 50 | 0 | 50 | 0 | 0 | 0 | Site planning progressing |
| Burial Ground Tornagraim | 20 | 0 | 0 | 0 | 20 | 0 | 20 | 0 | 0 | 0 | |
| Burial Ground Tore | 25 | 0 | 0 | 0 | 25 | 0 | 25 | 0 | 0 | 0 | |
| Burial Ground Morefield Ullapool | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Burial Grounds General | 20 | 0 | 0 | 0 | 20 | 0 | 20 | 0 | 0 | 0 | |
| Crematorium Works | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | |
| War Memorials | 20 | 0 | 0 | 0 | 20 | 0 | 20 | 0 | 0 | 0 | |
| Memorial Safety | 35 | 0 | 0 | 0 | 35 | 0 | 35 | 0 | 0 | 0 | |
| COMMUNITY SPACES | | | | | | | | | | | |
| Play Areas | 899 | 30 | (308) | (278) | 1,499 | (600) | 899 | 0 | 0 | 0 | |
| Naim Beach Access Platform | 0 | 2 | 0 | 2 | 71 | (71) | 0 | 0 | 0 | 0 | |
| VEHICLES & PLANT | | | | | | | | | | | |
| Vehicle & Plant Purchases | 4,000 | 165 | (7) | 158 | 4,200 | (200) | 4,000 | 0 | 0 | 0 | |
| Mechanical Street Sweepers | 147 | 0 | 0 | 0 | 147 | 0 | 147 | 0 | 0 | 0 | Delivered July 2023 |
| Amenities Plant & Equipment | 500 | 0 | 0 | 0 | 500 | 0 | 500 | 0 | 0 | 0 | Significant Procurement processes / activities being undertaken. |
| Waste Shredders (Self Funding) | 1,000 | 0 | 0 | 0 | 555 | 0 | 555 | (445) | (445) | 0 | Remainder of spend expected Q1 24/25. |
| PUBLIC CONVENIENCES | | | | | | | | | | | |
| PC Upgrades | 167 | 149 | (267) | (118) | 1,069 | (759) | 310 | 143 | 143 | 0 | Additional ground work costs and and related-fees. |
| OVERALL TOTAL | 11,970 | 587 | (582) | 5 | 13,824 | (3,568) | 10,256 | (1,714) | (1,714) | 0 | |

Appendix 3

CAPITAL MAJOR PROJECT WHOLE LIFE REPORTING - 2023/24 Q1

SERVICE: COMMUNITIES & PLACE

| Project Description | WHOLE LIFE BUDGET | | | ACTUALS TO DATE 23/24 Q1 | | | FORECAST TO END OF PROJECT | | | PROJECT ASSESSMENT | | | COMMENTS |
|----------------------------------|-------------------------|--------------------|-----------------|----------------------------|-----------------------|--------------------|----------------------------|-----------------|--------------|--------------------|--------|-------|---|
| | LIFE BUDGET EXPENDITURE | LIFE BUDGET INCOME | LIFE BUDGET NET | ACTUAL EXPENDITURE TO DATE | ACTUAL INCOME TO DATE | ACTUAL NET TO DATE | FORECAST EXPENDITURE | FORECAST INCOME | FORECAST NET | COST | TIMING | SCOPE | COMMENTS |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | | | |
| Recycling Improvement Fund (RIF) | 6,550 | -6,550 | | | | | 6,550 | -6,550 | | G | G | G | Full funding received from Zero Waste Scotland through the Recycling Improvement Fund in March 23 to deliver significant capital over phased period 2024 to 2026. |